

23. Subject to the provisions of the last preceding clause the existing sinking fund of every loan referred to in the First Schedule hereto shall be applied by the Commissioners thereof in or towards making the following payments, in the following order of priority, namely:—

- (a) First, in transferring to the Commissioners of the Sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities in respect of which such sinking fund is held; and
- (b) Secondly, in payment, in accordance with the directions of the local authority, of any cash payments required by this Order to be made in respect of premiums to which any person is entitled on the conversion of any existing securities to which this Order applies (whether issued in respect of such loan or of any other loan referred to in the First Schedule hereto);
- (c) Thirdly, in transferring the balance to the Commissioners of the consolidated sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

CONSOLIDATED SPECIAL RATE.

24. (1) As a security for the new securities and the unconverted securities the local authority shall forthwith, by resolution gazetted (in the form numbered (4) in the Second Schedule hereto), make and levy, a special rate over the whole of the district of the local authority to provide for the payment of interest, sinking fund, and other charges in respect of such securities.

(2) Subject to the provisions of this Order, the provisions of the Local Bodies' Loans Act, 1926, and of any other Act shall, so far as applicable and with all necessary modifications, apply with respect to such special rate, and with respect to the interest and other charges in respect of such securities, as if such special rate were made and levied in respect of a special loan raised under Part I of the said Local Bodies' Loans Act, 1926.

(3) Upon the making of such special rate every special rate theretofore made in respect of any existing securities to which this Order applies shall cease to be a security for such existing securities.

SECURITIES HELD BY TRUSTEES.

25. The provisions of sections twenty-two, twenty-three, and twenty-four of the New Zealand Debt Conversion Act, 1932-33 (relating to the adjustment of premiums as between capital and income and to the powers of trustees and other persons in relation thereto), shall apply with respect to existing securities converted into new securities in accordance with this Order in the same way as they apply with respect to securities converted under that Act, save that the references in the said section twenty-two to the first day of April, one thousand nine hundred and thirty-three, shall be construed as references to the day following the date of conversion.

BROKERAGE.

26. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.

FIRST SCHEDULE.

LOANS TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
	£	Per Cent.	Per Cent.	
Public Works Loan, 1915, of £175,000 ..	105,000	4½	4½	1st June, 1945.
Public Works Loan, 1925, of £200,000 ..	200,000	5½	4½	1st January, 1945.
Maori Hill Repayment Loan, 1923, of £3,600	3,600	5	4½	1st March, 1935.
Maori Hill Works Loan (part)	1,400	5	4½	31st December, 1943.
Maori Hill Works Loan	2,500	5	4½	30th June, 1945.
Renewal Loan, 1932, of £282,000	246,200	5½	4½	1st March, 1942.
Flood Damage Loan, 1924	26,000	5½	4½	1st March, 1944.
1925 Repayment Loan of £85,000	85,000	5½	4½	1st February, 1940.
Housing Loan, 1925, of £30,000	7,000	5½	4½	1st March, 1955.
Highway Loan of £80,000	80,000	5½	4½	1st October, 1935.
Highway Loan of £8,000 (additional 10 per cent.)	8,000	5½	4½	1st October, 1935.
Supplementary (10 per cent.) Public Works Loan, 1928, of £20,000	20,000	5½	4½	1st March, 1945.
Antecedent Liability Loan of £297,000—2nd Issue, 1926 (Part 2)	41,300	5½	4½	1st March, 1936.
Unemployment Relief Loan, 1929, of £19,000	19,000	5½	4½	1st December, 1944.
Flood Damage Loan, 1929, of £10,000 ..	10,000	5½	4½	1st November, 1939.
Flood Damage Loan, 1929, of £40,000 ..	30,100	5½	4½	1st November, 1944.
Public Works Renewal Loan, 1932, of £78,000	78,000	5½	4½	1st March, 1942.
Repayment Loan, 1928, of £40,000	40,000	5½	4½	1st February, 1943.
Baytown Waterworks Renewal Loan, 1931, of £5,000	5,000	5½	4½	31st March, 1946.